

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Winthrop Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 21, 2015

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on September 1 of each fiscal year. The schedule is effective in FY16 (since the amount under the prior schedule was maintained in FY16) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.50% and the adoption of a fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



Winthrop Retirement System
January 1, 2015 Actuarial Valuation

Total appropriations increasing 4.0% until FY27, with final amortization payment in FY28
Investment return assumption 7.50%

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Amort. of</u> <u>2003 ERI</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>Total Cost</u> <u>% Increase</u>
2016	1,291,042	160,000	1,615,856	53,521	3,120,418	17,394,857	
2017	1,349,138	160,000	1,682,576	53,521	3,245,235	16,926,255	4.0%
2018	1,409,850	160,000	1,751,674	53,521	3,375,044	16,351,639	4.0%
2019	1,473,293	160,000	1,823,232	53,521	3,510,046	15,660,530	4.0%
2020	1,539,591	160,000	1,897,336	53,521	3,650,448	14,841,578	4.0%
2021	1,608,873	160,000	2,027,593		3,796,466	13,882,492	4.0%
2022	1,681,272	160,000	2,107,052		3,948,324	12,769,964	4.0%
2023	1,756,929	160,000	2,189,328		4,106,257	11,489,596	4.0%
2024	1,835,991	160,000	2,274,517		4,270,507	10,025,806	4.0%
2025	1,918,610	160,000	2,362,717		4,441,328	8,361,744	4.0%
2026	2,004,948	160,000	2,454,033		4,618,981	6,479,191	4.0%
2027	2,095,171	160,000	2,548,570		4,803,740	4,358,451	4.0%
2028	2,189,453	160,000	2,002,072		4,351,526	1,978,238	-9.4%
2029	2,287,979	160,000			2,447,979	0	-43.7%

All amounts assume payments will be made September 1 of each fiscal year.

Normal cost includes expenses of \$350,000 and is assumed to increase 4.5% each year.

FY16 appropriation was maintained at the same level as the prior schedule.